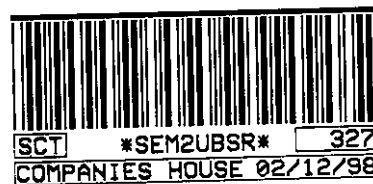


SC 57796

JORDANS (SCOTLAND) LIMITED

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31st MARCH 1998



BOARD OF DIRECTORS:

D A Bennett  
A S Cockburn  
S R Curtis  
D J McNeil

JOINT SECRETARIES:

R J Taylor  
The West of England Trust Limited

REGISTERED OFFICE:

24 Great King Street  
Edinburgh  
EH3 6QN

Registered in Scotland No.57796

## DIRECTORS' REPORT

The Directors present their Annual Report and the Accounts for the year ended 31st March 1998.

## PRINCIPAL ACTIVITIES

The Company trades as company registration and administration agents and company and property information specialists.

The registration of new companies and partnerships is complemented by the ability to service the requirements of existing companies through the supply of company secretarial, management and administration services, the provision of leading compliance software, document filing services, name registration and protection and the registration of trade and service marks.

The supply of detailed information on both UK companies and those registered in the major industrial nations of the world benefits from the combination of experience in company matters and advanced data technology. Personal searches are undertaken in various registers in connection with property conveyancing and environmental searches of related sites are provided where appropriate. Services to register and search domain names on the Internet have recently been launched.

## RESULTS AND BUSINESS REVIEW

The results for the year and the Directors' recommendations as to the appropriation of profit are set out in the Profit and Loss Account on page 6. The Company enjoyed a successful year's trading with results exceeding expectations.

## FUTURE DEVELOPMENTS

There are plans to launch a number of enhanced and new services during 1998/99 aimed at more fully meeting customers' current needs.

## YEAR 2000 COMPLIANCE

Computer systems are provided by Jordans Limited, the Company's parent undertaking. The Directors have been assured that all systems will be Year 2000 compliant.

## DIRECTORS AND THEIR INTERESTS

Mr E C Wilson resigned as a Director on 31st July 1997. The Directors appearing on page 1 have served throughout the year. Directors' shareholdings, including those of their families, in the share capital of the Ultimate Parent Company, are set out below:

	The West of England Trust Limited			
	£1 Ordinary Shares		£1 'A' Ordinary Shares	
	31st March 1998	1st April 1997	31st March 1998	1st April 1997
D A Bennett	2,000	2,000	-	-
A S Cockburn	-	-	950	750

JORDANS (SCOTLAND) LIMITED

DIRECTORS' REPORT

CLOSE COMPANY STATUS

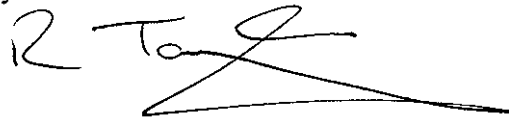
The Company is considered to be a close company under the provisions of the Income and Corporation Taxes Act 1988.

AUDITORS

Ernst & Young have expressed their willingness to continue in office as Auditors and a resolution proposing their re-appointment will be submitted at the Annual General Meeting.

24 Great King Street  
Edinburgh  
EH3 6QN

By Order of the Board  
R J Taylor

A handwritten signature in black ink, appearing to read 'R J Taylor', with a long horizontal stroke extending to the right.

17th June 1998

Joint Secretary

STATEMENT OF DIRECTORS' RESPONSIBILITIES  
IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE AUDITORS

TO THE MEMBERS OF JORDANS (SCOTLAND) LIMITED

We have audited the accounts on pages 6 to 14 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 8.

**Respective responsibilities of directors and auditors**

As described on page 4 the Company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

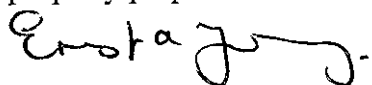
**Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the Company as at 31 March 1998 and of the profit of the Company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young  
Chartered Accountants  
Registered Auditor  
Bristol

29 JUN 1998

JORDANS (SCOTLAND) LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31st March 1998

	Notes	12 months 1998 £	6 months 1997 £
Turnover	2	1,450,619	642,467
Cost of Sales		(1,052,868)	(465,942)
Gross Profit		397,751	176,525
Distribution costs		(50,121)	(21,259)
Administrative expenses		(199,561)	(128,914)
Profit on ordinary activities before taxation	3	148,069	26,352
Taxation	6	(51,600)	(8,583)
Profit on ordinary activities after taxation		96,469	17,769
Dividend	7	(30,000)	(17,500)
Retained profit for the year	15	66,469	269

No statement of total recognised gains and losses is presented as the Company has no recognised gains and losses other than the profit after taxation for the financial year.

JORDANS (SCOTLAND) LIMITED

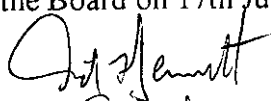
BALANCE SHEET

As at 31st March 1998

	Notes	1998 £	1997 £
Fixed Assets			
Intangible assets	8	14,167	16,191
Tangible assets	9	24,440	27,562
		<hr/>	<hr/>
		38,607	43,753
		<hr/>	<hr/>
Current Assets			
Stocks	10	3,780	7,364
Debtors	11	292,177	235,599
Cash in hand		9,971	150
		<hr/>	<hr/>
		305,928	243,113
		<hr/>	<hr/>
Creditors			
Amounts falling due within one year	12	(275,807)	(285,597)
		<hr/>	<hr/>
Net Current Assets/(Liabilities)		30,121	(42,484)
		<hr/>	<hr/>
Total Assets less Current Liabilities		68,728	1,269
		<hr/>	<hr/>
Provision for liabilities and charges			
Deferred taxation	13	(990)	-
		<hr/>	<hr/>
		67,738	1,269
		<hr/>	<hr/>
Capital and Reserves			
Called up share capital	14	1,000	1,000
Profit and loss account	15	66,738	269
		<hr/>	<hr/>
Shareholders' Funds	16	67,738	1,269
		<hr/>	<hr/>

Approved by the Board on 17th June 1998

D A Bennett



A S Cockburn



Directors



NOTES TO THE ACCOUNTS

1. Accounting Policies

(a) Accounting Convention

The accounts have been prepared in accordance with applicable accounting standards under the historical cost convention.

(b) Goodwill

Goodwill represents the excess of the cost of investment in respect of businesses acquired over their net asset value and is amortised through the profit and loss account over the Directors' estimate of its useful life.

(c) Depreciation

Depreciation is calculated to write off the cost less estimated residual value of tangible fixed assets on a straight line basis over the period of their expected useful lives. Plant and equipment is depreciated at rates ranging between 10% and 33% and the cost of leasehold premises and improvements at a rate equivalent to the unexpired term of the lease.

(d) Stocks

Stocks are stated at the lower of cost and net realisable value. Cost comprises direct labour, materials and related overheads.

(e) Leasing Commitments

Rentals paid under operating leases are charged to the profit and loss account as incurred on a straight line basis.

(f) Deferred Taxation

Deferred taxation is provided on the liability method in respect of all timing differences to the extent that they are expected to result in an actual tax liability in the future.

(g) Pension Costs

The Company operates a defined benefit pension scheme, contributions to which are made in accordance with actuarial advice and charged to the profit and loss account so as to spread the pension cost over the anticipated period of service of scheme members.

The Company also contributes to a number of defined contribution personal pension plans held for the benefit of individual employees. Contributions are charged in the profit and loss account as they become payable.

(h) Cash Flow Statement

No cash flow statement is presented as the Company is a wholly owned subsidiary undertaking of The West of England Trust Limited and that company presents a consolidated cash flow statement.

## NOTES TO THE ACCOUNTS

## 2. Turnover

Turnover comprises amounts receivable for goods and services supplied, exclusive of value added tax. The value of goods and services exported during the year amounted to £3,069 (1997 : £3,613). Of these exports £3,069 (1997 : £2,691) were to Europe and £Nil (1997 : £922) were to the rest of the world.

3. Operating Profit	12 months 1998 £	6 months 1997 £
---------------------	------------------------	-----------------------

Operating profit is stated after charging/(crediting):

Depreciation - owned assets	14,859	8,112
Hire of plant and equipment	5,821	4,925
Operating lease rentals - land and buildings	66,121	67,000
Auditors' remuneration	700	500
Profit on disposal of fixed assets	(3,540)	-

4. Employees	12 months 1998 Number	6 months 1997 Number
--------------	-----------------------------	----------------------------

Average monthly number of employees

Production	23	23
Sales and distribution	1	-
Administration	4	4
	-----	-----
	28	27
	-----	-----

Employee costs	12 months 1998 £	6 months 1997 £
----------------	------------------------	-----------------------

Wages and salaries	387,111	198,532
Social security costs	36,314	14,989
Pension contributions	18,522	10,301
	-----	-----
	441,947	223,822
	-----	-----

The Company has 12 employees who are members of the defined benefit, contributory pension scheme operated by The West of England Trust Limited. The scheme is valued periodically by independent qualified actuaries and is fully funded. Further details of the scheme are included in the accounts of The West of England Trust Limited.

The Company also makes contributions to a number of defined contribution personal pension plans held for the benefit of individual employees.

JORDANS (SCOTLAND) LIMITED

NOTES TO THE ACCOUNTS

5. Directors' Emoluments	12 months 1998 £	6 months 1997 £
Aggregate emoluments	69,827	42,440
Compensation	26,000	-
	<hr/> 95,827	<hr/> 42,440
Highest paid director:		
Aggregate emoluments	36,642	18,092
Accrued pension at end of year	6,038	5,536

Retirement benefits are accruing for one director under a defined benefit scheme operated by The West of England Trust Limited, the Company's ultimate parent undertaking.

6. Taxation	12 months 1998 £	6 months 1997 £
Corporation tax at 31% (1997 : 33%)	50,610	8,583
Deferred tax	990	-
	<hr/> 51,600	<hr/> 8,583
7. Dividend	12 months 1998 £	6 months 1997 £
Paid	30,000	17,500
8. Intangible Fixed Assets - Goodwill	1998 £	1997 £
Cost at beginning of year	40,477	-
Cost transferred	-	40,477
	<hr/> 40,477	<hr/> 40,477
Cost at end of year	40,477	40,477
Amortisation at beginning of year	24,286	-
Amortisation transferred	-	23,274
Charge for year/period	2,024	1,012
	<hr/> 26,310	<hr/> 24,286
Amortisation at end of year	26,310	24,286
Net book value at end of year	14,167	16,191

## NOTES TO THE ACCOUNTS

Goodwill is being amortised over 20 years, a period of time the Directors consider to represent its minimum useful life. The accumulated amortisation of £26,310 at the end of year represents the total amount of goodwill that has been written off of which £3,036 has been charged in the Company's accounts.

## 9. Tangible Fixed Assets

	Improvements to Leasehold Premises £	Computer Hardware & Software £	Motor Cars £	Fixtures, Fittings and Equipment £	Total £
Cost at beginning of year	22,757	52,066	66,252	64,818	205,893
Transfer from parent undertaking	-	6,645	(1,414)	-	5,231
Additions	-	3,909	-	-	3,909
Disposals	-	-	(12,561)	-	(12,561)
	-----	-----	-----	-----	-----
Cost at end of year	22,757	62,620	52,277	64,818	202,472
	-----	-----	-----	-----	-----
Depreciation at beginning of year	20,410	43,184	57,431	57,306	178,331
Transfer from parent undertaking	-	6,497	(9,094)	-	(2,597)
Charge for the year	528	6,365	3,408	4,558	14,859
Disposals	-	-	(12,561)	-	(12,561)
	-----	-----	-----	-----	-----
Depreciation at end of year	20,938	56,046	39,184	61,864	178,032
	-----	-----	-----	-----	-----
Net Book Value: At 31st March 1998	1,819	6,574	13,093	2,954	24,440
	-----	-----	-----	-----	-----
At 1st April 1997	2,347	8,882	8,821	7,512	27,562
	-----	-----	-----	-----	-----

## 10. Stocks

	1998 £	1997 £
Finished goods and goods for resale	3,780	7,364
	-----	-----

The replacement cost of stocks is not materially different from the amount stated above.

JORDANS (SCOTLAND) LIMITED

NOTES TO THE ACCOUNTS

11. Debtors	1998 £	1997 £
Trade debtors	135,102	135,896
Prepayments and accrued income	17,632	8,938
Other debtors	6,134	-
Disbursements chargeable (less payments on account)	4,620	2,878
Amount due from parent and fellow subsidiary undertakings	128,689	87,887
	<u>292,177</u>	<u>235,599</u>

All debtors fall due within one year

12. Creditors - amounts falling due within one year	1998 £	1997 £
Trade Creditors	768	21,984
Corporation Tax	50,447	8,583
Accruals and deferred income	208,128	238,364
Payments on account (less disbursements chargeable)	16,464	16,666
	<u>275,807</u>	<u>285,597</u>

13. Deferred Taxation

Deferred taxation provided in the accounts is as follows:

	1998 Full Potential Liability £	1998 Provided £	1997 Full Potential Liability £	1997 Provided £
Accelerated capital allowances	990	990	-	-
	<u>990</u>	<u>990</u>	<u>-</u>	<u>-</u>

14. Called Up Share Capital	1998 £	1997 £
Ordinary shares of £1 each		
Authorised	20,000	20,000
Allotted, called up and fully paid	<u>1,000</u>	<u>1,000</u>

## NOTES TO THE ACCOUNTS

## 15. Profit and Loss Account

	1998 £	1997 £
Balance at beginning of year	269	-
Retained for the year	66,469	269
	-----	-----
Balance at end of year	66,738	269
	-----	-----

## 16. Shareholders' Funds

	1998 £	1997 £
Profit attributable to shareholders	96,469	17,769
Dividend	(30,000)	(17,500)
	-----	-----
Total movements during year	66,469	269
At beginning of year	1,269	1,000
	-----	-----
At end of year	67,738	1,269
	-----	-----

## 17. Financial Commitments

## i) Operating leases

The Company has annual commitments under non-cancellable operating leases on land and buildings as follows:

	1998 £	1997 £
Lease agreements expiring Over five years	67,000	67,000
	-----	-----

## ii) Capital commitments

	1998 £	1997 £
Contracted but not provided for	1,245	1,000
	-----	-----

## 18. Contingent Liabilities

The Directors are not aware of any material contingent liabilities at 31st March 1998 for which provision has not been made in these accounts.

## JORDANS (SCOTLAND) LIMITED

### NOTES TO THE ACCOUNTS

#### 19. Ultimate Parent Undertaking

The Company is a wholly owned subsidiary of Jordans Limited for which group accounts are drawn up, which are available to the public from the Registrar of Companies, England and Wales.

The ultimate parent undertaking of the group of undertakings for which group accounts are drawn up and of which the Company is a member is The West of England Trust Limited, registered in England and Wales.

#### 20. Related Party Transactions

The Company has taken advantage of the exemption in FRS 8 from disclosing transactions with related parties that are part of The West of England Trust Limited group of companies.